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Thai Government Implementing Measures to Control Pork and Hog Prices

Report Categories:

Trade Policy Monitoring

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Report Highlights:

On August 5, 2011, in an effort to address rising hog and pork prices in the country, the Central Commission on Prices of Goods and Services (CCP), a government ad hoc committee chaired by the Minister of Commerce (MOC), endorsed three measures to control escalating prices, including a six-month export restriction.

On August 5, 2011, in an effort to address continued rising hog and pork prices in the country, the Central Commission on Prices of Goods and Services (CCP), a government ad hoc committee chaired by the Minister of Commerce (MOC), endorsed three measures to control escalating hog and pork prices in the country, including a six-month export restriction from August 6, 2011 to February 5, 2012. These measures are: 1) Implementing ceiling prices for live hogs and pork meat at all levels of the marketing channel; 2) Controlling the movement of live hogs in certain areas and requiring export authorization for live hogs and pork meat; and 3) Requiring hog raisers, pork meat traders, exporters, and holders to report production, trade and inventory activities of their premises.

First, ceiling prices for live hogs and pork meat as indicated in the notification are determined below. In addition, all relevant farms and traders must have a visible price announcement in front of their premises.

Items of Price Control	Bangkok and Central, Eastern, and Western Regions (baht/kg)	North and Northeast (baht/kg)	South (baht/kg)
1. Live Hog Prices at Farm	81	85	87
2. Wholesale Prices for a Half of Carcass	93	97	99
3. Wholesale Prices for Lean Pork Meat	137	142	147
4. Retail Prices for Lean Pork Meat	152	157	162

Second, the CCP prohibits the movement of live hogs in an amount of 10 heads and more from and into certain areas in 24 provinces unless the movement is officially approved by authorized offices. Meanwhile, the CCP prohibits the movement of live hogs and pork meat for export purposes unless the movement is officially approved. The notification also cites that the CCP may consider extending or suspending this export control measure given the supply situation of live hogs and pork meat in the market.

Third, all hog raisers, traders, and exporters who hold 500 head of live hogs or more must notify their production, trade (domestic sales or export), and inventory activities to the competent office on a twice-a-month basis. Meanwhile, all individuals who hold 5,000 kilograms of pork meat or more must notify the same type of records to the competent office on the same twice-a-month basis.

The Central Commission on Prices of Goods and Services (CCP) is responsible for enforcing the Prices of Goods and Services Act. CCP members include the Minister of Commerce (MOC) as Commission Chairman, the Permanent Secretary of MOC as a Vice President, and representatives from different government agencies as members.

Prior to issuing these price control measures, the Department of Internal Trade (DIT) of the Ministry of Commerce threatened for a few weeks to halt exports of live hogs and pork products after domestic

prices for live hogs and fresh pork meat rose rapidly. Prices for live hogs at farms nearby the Bangkok area increased from 71-72 baht/kg (\$2.39-2.42/kg) in mid July to 82-83 baht/kg (\$2.76-2.79/kg) in early August which have driven retail prices for lean pork meat to escalate from 130 baht/kg (\$4.38/kg) to current prices of 150-160 baht/kg (\$5.05-5.39/kg). Trade sources reported that the price increase is mainly attributed to reduced supplies of live hogs affected by endemic Porcine Reproductive and Respiratory Syndrome (PRRS) diseases. They also have forecasted that the supply situation should resume to normal by the end of the year.

These measures as well as the outlook of increased supplies should bring domestic prices for live hogs and pork meat down to some degree in the next few months. In 2010, Thailand exported almost 500,000 heads of live hog worth of US\$ 37 million and 9,700 metric tons of uncooked pork meat and processed pork meat products worth of US\$ 60 million.

Thailand Export Statistics Commodity: 0103, Live Swine							
Year To Date: January - December							
Partner Country	Unit	2008		2009		2010	
		USD	Quantity	USD	Quantity	USD	Quantity
World	NO	39,065,657	428,170	52,112,407	438,079	36,963,129	489,128
Cambodia	NO	32,579,280	292,623	44,475,976	286,529	31,504,525	384,965
Laos	NO	5,318,575	122,607	7,133,833	146,383	4,987,382	100,514
Myanmar	NO	865,194	12,236	124,278	2,098	288,732	3,180
Vietnam	NO	249,912	553	244,775	546	182,440	468

Thailand Export Statistics UDG: Uncooked Pork Meat and Processed Pork Products							
Year To Date: January - December							
Partner Country	Unit	2008		2009		2010	
		USD	Quantity	USD	Quantity	USD	Quantity
World	KG	55,630,830	9,916,916	51,095,842	9,263,857	60,100,248	9,723,512
Japan	KG	40,928,250	4,951,409	43,222,700	5,915,949	53,961,180	7,487,860
Hong Kong	KG	11,965,638	3,911,715	3,985,316	1,029,474	3,774,621	702,286
Laos	KG	1,684,662	467,974	1,401,088	637,568	1,378,939	988,671
Myanmar	KG	725,575	501,970	2,067,806	1,613,995	461,123	422,488
Maldives	KG	143,621	21,474	253,409	38,862	215,590	32,233
South Africa	KG	0	0	0	0	97,572	21,384
Malaysia	KG	0	0	3,870	167	46,267	22,153
Vietnam	KG	17,279	27,187	6,015	895	44,828	26,861

End of Report.